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25 March 1966

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CENTRAL INTELLIGENCE BULLETIN

CURRENT INTELLIGENCE
RELATING TO NATIONAL SECURITY

State Dept., JCS reviews completed

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***Vietnam:** (Information as of 4:30 AM EST)

[Political Developments in South Vietnam: Military government officials and the Buddhists both continue to maneuver behind the scenes as agitation continues in I Corps.]

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[the ruling military Directorate was scheduled to convene this morning to consider how to deal with the situation in I Corps. Yesterday, the mayor of Saigon arrived in Hue after being directed by the Ky government to persuade General Thi to return to Saigon. The mayor, who expects that this task may take several days, has apparently been authorized to offer Thi "anything he wants"--including the command of another corps area--providing he agrees to leave I Corps. However, other reports suggest that the government may be planning to remove officials close to Thi once the unrest subsides.]

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[intense organizational activity by the Buddhists in Saigon, although ranking monks there continue to give the impression that they are acting with restraint. On 22 March, leading Buddhist monks met with Catholic priests and representatives of other Vietnamese religious sects in an apparently unsuccessful attempt to line up support for the Buddhist call for an elected civilian government.]

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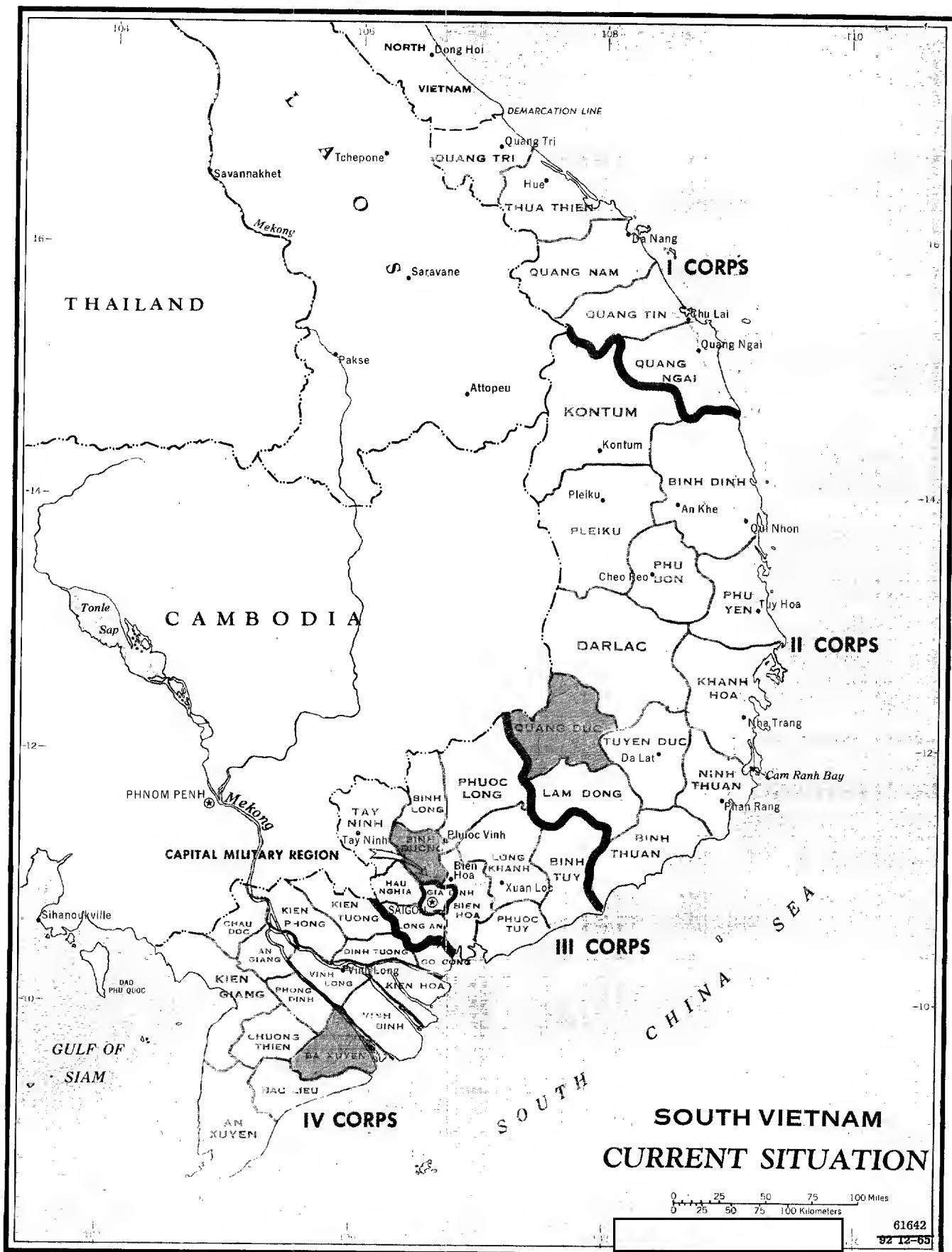
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[the Buddhists may also be trying to organize peaceful demonstrations in Da Lat and other towns in the central highlands.]

The Military Situation in South Vietnam: Initiatives by both allied forces and the Viet Cong contributed to a higher tempo of military activity yesterday.

(continued)

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During the predawn hours, Viet Cong forces of estimated battalion strength launched two unsuccessful assaults against a government outpost in Quang Duc Province. With the support of some 24 tactical air sorties, government defenders killed 150 Viet Cong. South Vietnamese casualties were four killed and 23 wounded.

South Vietnamese troops initiating an operation yesterday in Ba Xuyen Province battled an estimated Viet Cong battalion during the afternoon. Enemy losses were reported as 116 killed, 25 individual weapons, and four crew-served weapons. Government casualties thus far total 13 killed and 21 wounded. The operation is continuing, with no contact reported at present.

The Viet Cong attack on South Vietnamese Army facilities near the provincial capital of Binh Duong Province during the night of 23-24 March resulted in government casualties of 27 killed, 48 wounded, and 19 missing. In addition, two armored personnel carriers and one M-41 tank were damaged; another tank was reported missing and believed captured by the Viet Cong. US forces searching for the missing tank yesterday clashed with an unknown number of Viet Cong and sustained casualties of 12 killed and 25 wounded. Enemy losses during yesterday's engagement are unknown.

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India: Prime Minister Gandhi is making her trip to the US against a background of increasingly serious political and economic problems at home.

While Mrs. Gandhi is still establishing her authority within the cabinet, rumors of animosities among the ministers are damaging the reputation of the new government. Regional discontent in the Punjab and Assam could erupt into violence again. Relations with Pakistan, patched over by the Tashkent Agreement in January, are once again deteriorating.

These political difficulties are aggravated by India's economic problems. The government's food policy and Agriculture Minister Subramaniam are under fire from elements within the Congress party and from opposition groups. Recent reports continue to paint a bleak picture of this year's harvest. Foreign exchange shortages and industrial stagnation are also continuing.

Mrs. Gandhi and her advisers must also look warily toward national elections next February. Elements of opposition parties in some areas--particularly leftists in the state of West Bengal--are already gearing up to discredit the government.

[During Mrs. Gandhi's visit the Indians will press for US pledges of eight million tons of food grains and more than \$300 million in nonproject aid.]

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Mrs. Gandhi probably will not ask for a resumption of arms deliveries. Continuing weapons shipments from the USSR have diluted the impact of the US military aid cutoff upon India's military potential, while Pakistani forces have been relatively hard hit by the suspension.

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France-NATO: [A French official has warned that Paris may "escalate" the NATO crisis if its 14 partners fail to initiate bilateral talks.]

[In a conversation with Ambassador Cleveland, French Permanent Representative to NATO De Leusse showed some impatience with allied responses to De Gaulle's initiative. De Leusse, who had met with De Gaulle just prior to his talk with Cleveland, indicated that a further communication setting deadlines for specific actions is already drafted. He was evasive on the dates for eviction of integrated commands and US installations, although he said action to remove French personnel from NATO military commands and to end the NATO commitment of French forces would occur sometime between July and September.]

[These threats appear designed to step up the pressure on France's allies to take the initiative in bilateral conversations. As part of this pressure, Paris has informed the US that the extension of the previous agreement covering the overflight of US aircraft will terminate at the end of April.]

[The general response of the 14 has been that the French communications thus far entitle Paris to a reply but not to any specific proposal. Most of the 14 agree that De Gaulle should not be allowed to escape taking the initiative in making detailed proposals.]

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Common Market: [A wide divergence of views prevented the EEC Council from making decisions on any major issues at its meeting earlier this week and has caused renewed concern that the community is still in serious difficulty.]

[The Germans apparently remain unwilling to concede any priority to settling the financing of the community's agricultural policy. They also insist that parallel progress be made on determining common prices for various agricultural commodities as well as on the EEC's position for the Kennedy Round. The French continue to insist on early agreement on agricultural financing. Although EEC observers see some prospect of a "package" deal eventually, this might not be attained until late summer and the delay could jeopardize Kennedy Round prospects.]

[Because of these difficulties, sentiment appears to be growing within the community that the achievement of a full customs union--tentatively scheduled for mid-1967--may have to be postponed until 1968.]

[The Germans have proposed that Hallstein head the commission for another term, but the French are advocating a rigid rule for rotating the commission's presidency every two years--a stance at variance with treaty provisions and opposed by the other five.]

[Whether because of irritations engendered by the NATO crisis or desires to defend respective national interests, the atmosphere between France and Germany was apparently considerably strained. A Belgian observer reported several sharp exchanges.]

Dominican Republic: Colonel Francisco Caamano's hoped-for visit to the Dominican Republic before the elections in June could jeopardize the fragile political peace.

Caamano told a US Embassy official in London that he hopes to make a brief first-hand assessment of the pre-election situation and take readings on the views of Dominican military leaders if conditions are propitious. He definitely plans to return after elections, which he said he hopes will take place on schedule.

If Caamano returns before the elections, he might see some advantage in timing his arrival to coincide with the expected celebrations marking the first anniversary of the Dominican revolt on 24 April. Although Caamano disclaimed any political aspirations, he probably would like to reassociate himself with the aura of the "constitutionalist" cause which will be revived by the anniversary.

In addition, Bosch's Dominican Revolutionary Party will have held its national convention by that time. If Bosch chooses not to run, Caamano might reassess his own political prospects and possibly attempt to gain a following for a last-minute presidential campaign. Hector Aristy's nascent 24th of April Revolutionary Movement could provide a convenient vehicle for such a campaign.

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NOTES

Indonesia: Discussions among military and civilian leaders over the creation of a new government are continuing. Interim Foreign Minister Adam Malik said on 23 March that a new cabinet would be announced in a "few days more, maybe a week." President Sukarno is still trying to influence the composition of a new government. He made a surprise appearance at a diplomatic reception on 23 March in an apparent attempt to repair his damaged image as Indonesia's supreme political authority.

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West Africa: Liberia's President Tubman appears to be making some headway in his efforts to ease the acute regional tensions over Ghana by mediating between Presidents Touré of Guinea and Houphouet-Boigny of Ivory Coast, the two chief antagonists. Tubman enjoys some rapport with each of the long-feuding leaders, and both have evidently agreed in principle to discuss their differences at a face-to-face meeting next month in Monrovia. Ethiopia's prestigious Emperor Haile Selassie, who is scheduled to visit the area in mid-April, is also being invited to participate.]

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Colombia: With about 90 percent of Sunday's congressional election ballots counted, the government's National Transformation Front (FTN) has 55 percent of the popular vote and an outside chance of winning a two-thirds majority in the Senate. This majority, which is required for most important legislation, cannot be obtained in the Chamber of Deputies without a major political bargain with one of the opposition groups. The opposition is considering possible presidential candidates, and a choice is expected in a few days.]

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NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 24 March 1966 approved the following national intelligence estimate:

NIE 34-66, "Iran"

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The Scientific Adviser to the President

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The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U. S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

The Director, Defense Intelligence Agency

The Director, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

National Aeronautics and Space Administration

The Administrator

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

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